

6 Steps to Buying a New Car



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Buying a new car is certainly exciting. Because there are a lot of options for you to consider, we've put together a simple guide to help as you make your way through the process. This eBook will present you with six easy steps to take to buy a new car. These are listed below:

1. Familiarize Yourself With the Basics of Automotive Financing
2. Learn the Fundamentals Involved in Leasing a Car
3. Maintain a Healthy Credit Score
4. Do Your Homework
5. Test Drive Your Top Prospects
6. Explore Your Financing Options

When you're done reading this informative step-by-step guide to searching for and purchasing a brand-new automobile, you'll be ready with increased understanding and confidence. Continue reading to begin your journey toward becoming a new car owner.

Step 1: Familiarize Yourself With the Basics of Automotive Financing

If you plan on applying for a loan to finance the vehicle you end up choosing, it's important that you understand key aspects of this process. Getting to know the following terms will help. Here are the terms and definitions you'll want to have at the ready.

- **Car Loan:** The car loan is the actual agreement you make with the lender, stating that they'll lend you the money for the car and you'll pay them back over a specified time period.
- **Down Payment:** The down payment is the amount you'll pay up front. It's important to note that what you'll spend throughout the term of the loan is the difference between this amount and the actual total cost of the vehicle. Therefore, the sum you put down on the day you drive the car off the lot determines the total amount of the loan as well as the monthly payments. Keep this in mind when deciding how much you'd like to provide as your down payment.
- **Interest:** Interest is what the lender charges you for providing the loan.

Step 2: Learn the Fundamentals Involved in Leasing a Car

If you're interested in leasing, you'll want to get acquainted with how this option works as well. For starters, a lease lasts for approximately two to three years. During that time, you'll be responsible for lease fees, taxes, plus any damages and wear and tear that take place while the vehicle is in your possession.



Automotive leases also have their own terminology you'll want to know. Some of these terms are listed below.

- **Sale Price:** The name says it all. This is the price of the vehicle. When shopping around for a vehicle to lease, remember that the sale price determines what your monthly lease payment will be. A higher sale price will often result in a higher payment and a lower sale price usually coincides with a lower payment.
- **Allotted Miles:** When leasing, you'll be limited to a specific number of miles you can drive the car over the course of a year. Exceeding this number will result in an over-mileage charge.
- **Disposition Fee:** The disposition fee is what you'll pay for cleaning and selling the vehicle once the lease is over. This fee will be waived if you decide to purchase the car.

Step 3: Maintain a Healthy Credit Score

Maintaining a healthy credit score is important whether you're applying for a loan or signing a lease. Here are some things you can do to help your financial history appear credit-worthy to a lender.

- **Pay your bills on time.** When you pay your bills in a timely manner, you make it clear you're reliable.
- **Pay off your debt.** Paying off your debt and keeping your credit card balances low show you can manage your credit.
- **Keep unused credit cards open.** Don't close unused credit cards. Keeping them open will help extend your credit limit.



Step 4: Do Your Homework

The research phase of purchasing a vehicle is important because it sets the foundation for what follows. This is when you'll determine what you want in your next car as well as find out what's available to you.

To get started, make a list of features you'd like your new car to have. This list will be specific to the things most important to you. Depending on your priorities, it might include features that boost your overall safety and security while you're on the road, performance capabilities, style characteristics, and elements of comfort and convenience.

Once you've put together a list of aspects you want in a car, go online to check out the car dealerships in your area. Once you have a few in mind, explore each one's inventory. While you're doing this, keep the list you've created close at hand. It won't be long before you'll have a selection of automobiles to check out.

Step 5: Test Drive Your Top Prospects

This stage is when you'll narrow down that selection of possible vehicles to just one. It's important you take your time comparing the attributes and drawbacks you encounter while you're behind the wheel of each automobile.

At the beginning of each drive, you'll want to take time to give the vehicle a quick visual inspection. Walk around the exterior to ensure it lives up to your standards and is free of any dings or scratches. Once you've done that, make sure the headlights, turn signals, brake lights, and taillights are all in proper working order.

Next, it's time to take the car for a spin. There are several things you'll want to keep in mind while you're on the road. These include making sure the brakes work to your satisfaction, the engine sounds healthy and doesn't make any strange noises, and the vehicle has proficient cornering abilities. Don't forget to consider other aspects of the vehicle's operation aside from the drive itself.





For instance, it's important to make sure the power windows and the sound system work the way they should. You'll also want to ensure the air conditioning and the heating systems work properly.

It's a good idea to try to schedule your test drives within a day or two of each other. Doing so will enable you to compare each candidate more accurately against the others since they'll be fresh in your mind.

Step 6: Explore Your Financing Options

Once you've returned from your final test drive and have made up your mind about which car you'll be driving home, it will be time to decide on the right financing route to take. To help you determine whether a loan or a lease works better for your particular lifestyle and budget, we'll examine the benefits of each option.

The Advantages of Buying a Car

- There are no mileage restrictions when you purchase a car. You can drive your vehicle as many miles as you want.
- In general, getting a loan does not require as high a credit score as leasing.
- When you finance a car with a loan, it will be all yours to do whatever you want. After the loan is paid off, you're free to make any changes you'd like or even sell it.

Why Choose to Lease a Car

- Leasing typically requires a lower down payment and monthly payments since you aren't financially responsible for the automobile's entire value. You'll only pay for its depreciation during the term of the lease. In fact, your lease might not even require a down payment.
- If you enjoy advanced convenience and safety features, leasing on a regular basis allows you to continually have access to the latest technologies.
- When the lease term is over, you'll only have to return the car to the dealer and start looking into the options for your next lease.

It's Time for You to Begin

With all this valuable information fresh in your mind, use it to go out and find the new car that fits best with your sensibilities, priorities, and lifestyle. If you have questions about anything you've just read, be sure to contact your local Toyota dealer. Their team of experts will be happy to assist you in finding your next new car.

